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SEPT. 1948

while Army units stationed in Slovakia consist mostly of Czech personnel. The border regions of Słovakia, including the area facing Poland, are guarded by SNB personnel, 70 percent of whom are Czechs. Czech SNB members reportedly receive from 6,000 to 7,000 Kcs. per month in "high cost of living" allowances; this contributes to the bad feeling, already well developed, of the Slovaks toward the Czechs.

The point, however, that in spite of ill feeling toward the Czechs, the idea of a Central European federation in which Czechs and Slovaks and other mationalities would live together in one state in saining ground in Slovakia.)

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b. Czechoslovak Army ammunition dumps located near the road from Poprad to Kvetnica (about 20 km. south of Poprad) are being put in order.

c. The road between Presov and Vranov (R49/E65) is being paved. Construction work is being done on many roads in eastern Slovakia. It is also reported that bridges on the Presov-Vranov road are being reinforced.

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about the presence of Russian troops in eastern Slovakia and to have ascertained that there have been no Russian troops there furing the last ten months. On the other hand, Russian officers have been assigned to all regional SNB headquarters in

2. Economic

Slovakia.

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a. Russia has radically changed her economic policy with respect to Czechoslovakia. Czechoslovakia is now receiving from the USSR raw materials
of good quality and on time. Czechoslovak industries, on the other hand,
have completely lost their independence. In every regional industrial
directorate there is a Russian official controlling production, submitting

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Russian demands, and controlling delivery. The Czechoslovak economy is geared to the Russian economy.

- b. The collectivization of agriculture is expected within the near future and is now being widely discussed. It is expected that the Government will try is justify collectivization by the claim that the farmers have failed to meet their prescribed delivery quotas. In the meantime, in many cases national managers are being assigned even to farms not larger than 10 hectares. The farmers hit by this measure are practically deprived of all income.
- c. In order to produce the quotas set by the Two-Year and the Fix-Year Plans, factories have been producing coarser and heavier goods rather than finished and light goods. Goods which could be produced but whose production takes longer than that of other items are not being produced at present. Thus, for example, there is a shortage of finer items and chinaware; it is almost impossible to buy coffee cups, but the market is full of large ice cream containers. Through the production of the latter, a given factory maintains a high level of production in terms of total weight produced.

3. Political

- a. Older members of the Communist Party, with the exception of a new Politbureau and Cominform proteges, have been pushed aside. The leadership has been taken over by younger Communists who have received schooling in Moscow.
- b. The extent of the impotence of some Government members is well illustrated by the fact that Milan Polak, Slovak Commissar and member of Parliament, has been ordered not to inquire about the fate of General Pika or intercede on his behalf, although Pika's son is married to Polak's daughter.

This document is hereby regraded to CONFRENTIAL in accordance with the letter of 10 October 1978 from the Director of Certs Untelligence to the Archivist of the Unite States.

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